



PSC NEWS

Missouri Public Service Commission

Contact: Kevin Kelly

Phone: (573) 751-9300

Governor Office Building, Suite 900

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LONG-TERM ENERGY PLAN APPROVED FOR THE EMPIRE DISTRICT ELECTRIC COMPANY

JEFFERSON CITY--The Missouri Public Service Commission has approved a long-term energy plan presented by The Empire District Electric Company, the Office of the Public Counsel, the Public Service Commission Staff, Explorer Pipeline Company, Praxair, Inc. and the Missouri Department of Natural Resources (DNR).

"The Agreement strikes a reasonable and appropriate balance between the interests of Empire's customers and shareholders regarding Empire's participation in Iatan 2. The Agreement is designed to positively impact Empire's credit ratings. Thus Empire should have lower debt costs to pass on to consumers in the form of lower future rates," the Commission said.

The plan includes:

* **Empire's participation in an 800-900 Megawatt (MW) coal-fired power plant (Iatan 2) near Weston, Missouri.**

The agreement assists Empire in meeting its needs for generation so that it can achieve its energy and capacity requirements. The agreement gives Empire the opportunity to own at least 100 MW of coal-fired generation to be built in Missouri by Kansas City Power & Light (Iatan 2).

* **Environmental upgrades at Iatan 1.**

Environmental upgrades on Iatan 1 ensure that total site emissions from Iatan 1 and Iatan 2 will be less than current site emissions from Iatan 1 and will help address the environmental concerns of citizens living in the area around the Iatan site.

* **Environmental upgrades at Asbury, Missouri plant.**

Environmental equipment installations will reduce nitrogen-oxide emissions.

* **A 155 MW gas-fired peaking generating unit to be located at the Riverton generating station in Riverton, Kansas.**

* **Various efficiency and affordability programs for customers.**

The agreement design gives Empire the opportunity to maintain its investment grade ratings during the term of the experimental regulatory plan, which is important to Empire's shareholders and creditors. In addition, the agreement protects Empire's customers by recognizing that the Commission may disallow expenses deemed to be imprudent or unreasonable.

The Empire District Electric Company serves approximately 137,000 electric customers in 16 southwest Missouri counties.